



CONGRESSIONAL HEARING RESUME

106th Congress
2nd Session

Date: 2 Mar 00

SUBJECT: Health Care

**COMMITTEE: Senate Armed Services Committee,
Subcommittee on Personnel**

CHAIRMAN: The Honorable Tim Hutchinson (R-AR)

MEMBERS PRESENT IN BOLD:

REPUBLICANS

Tim Hutchinson (R-AR)
Thurmond, Strom (SC)
McCain, John (AR)
Olympia Snow (ME)
Wayne Allard (CO)

DEMOCRATS

Max Cleland (GA)
Ted Kennedy, (MA)
Jack Reed, (RI)
Chuck Robb (VA)

Non Subcommittee Members attending:

John Warner (R-VA)
Jeff Bingaman (D-NM)

WITNESSES: See Attached

Information contained in this resume was obtained during an open hearing. It will not be released outside of the Department of Defense (DOD) agencies until published hearing transcripts have been released by the Committee, and only to the extent it is in accord with published hearing procedures.

Prepared by: Lt Col Brad Oswalt Date: 2 Mar 00 Ext: 697-9331

WITNESSES

Panel 1

Sue Schwartz, Associate Director of Government Relations
National Military Family Association (NMFA)

Chuck Partridge, Director, Legislation and Political Action Team
National Association of Uniformed Services (NAUS)

Kristen Pugh, Deputy Legislative Director, The Retired Enlisted Association (TREA)

Mike Lord, Executive Director, Commissioned Officers' Association of the US Public Health Service (COA)

Panel 2

Honorable Rudy DeLeon, Under Secretary of Defense
Personnel and Readiness

Robert Soule, Office of OSD Comptroller's Office

General Lester Lyles, Vice Chief of Staff, USAF

General Keane, Vice Chief of Staff, USA

Admiral Pillings, Vice Chief of Naval Operations, USN

General Duke, Assistant Commandant, USMC

Lt Gen McDuffie, Director for Logistics
Joint Chiefs of Staff

Panel 3

Dr. Sue Bailey
Assistant Secretary of Defense for Health Affairs

Dr. James Sears
Executive Director, TRICARE Management Activity

Lt Gen Paul Carlton, USAF
Surgeon General of the Air Force

Vice Admiral Nelson
Surgeon General of the Navy

Lt Gen Ronald Blanck
Surgeon General of the Army

EXECUTIVE SUMMARY

Hearing was cordial. There was substantial discussion of the Senator Lott/Warner bill, S. 2087, which generally tracks to the DoD FY01 position with the exception of additional mail order pharmacy benefits. Members and witnesses generally agreed that S. 2087 was a good “first step” in health care legislation. Sen Warner commented that S. 2087 is a “mark” and he is looking for ways to improve the bill. Military Associations were vocal that more had to be done for over 65 retirees, but agreed that S. 2087 was a good start.

The Army SG commented that supplies of anthrax vaccine were adequate to continue Phase 1 vaccinations pending an additional Lot approval and ultimate approval of Bioports’ new manufacturing facility.

The Subcommittee was called to order at 0935.

Chairman Hutchinson’s Opening Statement

- Wants to address what can and should be improved in military health care
- Emphasized that people need to understand what is doable

Sen Robb:

- Believes that military healthcare is a significant driver when personnel decide whether to stay in the military

Sen Warner:

- S. 2087 is a mark--looking for criticism and ways to improve the bill
- We will ultimately roll language into the authorization bill

Sen Cleland:

- TRICARE is good, but not perfect
- S. 2087 is achievable and a solid first step
- Addresses greatest out of pocket expenses for over 65 personnel--pharmacy costs

PANEL 1

Military association representatives agreed that S.2087, the Warner/Lott bill is a good first step, but more needs to be done, especially for over 65 retirees

Mr Lord, COA

- S.2087 is a good starting point
- Pharmacy benefit needs to include a retail pharmacy benefit
- TRICARE Senior Prime should be implemented nationally right now

Mr Partridge, NAUS

- Most important benefit is the drug formulary and access to pharmacy
- No more tests and demonstrations--retirees are desperate

Ms Pugh, TREA

- Over 65 retirees can't wait for more tests--they need medical care now
- More needs to be done to ensure that FEHBP tests are fair

Sen Hutchinson:

- Commented that retirees may not believe S. 2087 goes far enough, but this is an important first step

PANEL 2

Mr DeLeon and the Service Vice Chiefs all agreed that the DMOC ensures that the line is engaged with the medical corp to address health care

Mr DeLeon:

- To the Associations--"We get it"

Gen Lyles:

- DMOC brings a line perspective
- As members of the JROC they can balance requirements and understand trade-offs
- Commented that S. 2087 is very constructive and we're looking at it

Sen Hutchinson:

- Asked if health care benefit effects readiness?
- Service Vice Chiefs agreed that TRICARE impacts readiness because it effects retention

Mr DeLeon:

- Stated that Medicare Subvention is working well at test sites, but DoD has technical complaints about reimbursement from Health Care Finance Administration
- We're not being reimbursed anywhere near enough

Mr Soule:

- Stated that the FY 01 health care budget is fully-funded
- Indicated there is a \$5B to \$6B shortfall over the FYDP to meet our current health care benefit, with no increases in benefits

Sen Bingaman:

- Commented that military recruits are still confused about their health care benefit
- DoD needs to better communicate health care benefits so we don't find ourselves in the same discussion about living up to our commitments in the future

PANEL 3

Dr Bailey and Service Surgeon Generals stated we are stretched thin, but optimizing our capabilities. Gen Blanck commented that we have adequate anthrax vaccine to continue phase 1 vaccinations pending and additional FDA Lot approval and ultimate approval of Bioport's facility.

Dr Bailey:

- "FEHBP cannot send medics into battle, but TRICARE can..."

Gen Carlton:

- Stated we're optimizing our capabilities
- Commented that our integrated hospital facility at Alamogordo, NM, was a successful effort between the city and the AF (Gerald Champion)

Sen Bingaman:

- Emphasized that integrated hospital facilities were "future thinking" and appreciated Lt Gen Carlton's comments. Hoped other Services would pursue similar projects since they helped the city and saved the DoD money

Dr Bailey:

- Stated that DoD intends to expand FEHBP to two additional sites under questioning from Sen Hutchinson
- Modern technology is improving readiness and lowering costs

Sen Hutchinson closed the hearing at 1205 with a special thanks to the Army SG, Lt Gen Ron Blanck, who is retiring in June 00.